



August 19, 2011

Ex Parte Notice

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Connect America Fund, WC Docket No. 10-90; A National Broadband Plan for Our Future, GN Docket No. 09-51; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; High-Cost Universal Service Support, WC Docket No. 05-337; Developing a Unified Intercarrier Compensation Regime, CC Docket 01-92

Dear Ms. Dortch:

On August 18, 2011, Shirley Bloomfield, Chief Executive Officer of NTCA, and I had a telephone conversation with Christine Kurth, of Commissioner Robert M. McDowell's office. During that conversation we discussed the Universal Service Fund (USF) and intercarrier compensation (ICC) reform plan (RLEC Plan) submitted by NTCA and other national, regional, and state associations in April 2011 (*see*, Comments of NECA, *et al.* (filed April 18, 2011)), and modified subsequently by a broader industry "Consensus Framework" filed at the Commission last month (*see*, *Ex Parte* filing of USTelecom, *et al.* (filed July, 29, 2011)).

We described the modifications suggested by the rural associations in the Consensus Framework, including a proposed reduction of the interstate rate-of-return from 11.25 percent to 10 percent, and the negotiated outcomes concerning ICC reform transitions. We discussed the role of these modifications in light of the Commission's budget targets. We emphasized the critical need to ensure that material changes are not made to the Consensus Framework: we noted the focused negotiations that produced landmark industry compromise, and the fact that adjustments to any element, including the restructuring mechanism or further constrictions on cost recovery, would undermine the strength of the agreement and the ability of rural rate-of-return carriers to deploy and maintain networks, as well as their ability to meet debt obligations.

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Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS with your office. Please do not hesitate to contact me at (703) 351-2035 or jseidemann@ntca.org if you have any questions or require additional information.

Respectfully submitted,

/s/ Joshua Seidemann
Joshua Seidemann

Director of Policy

cc: Christine Kurth